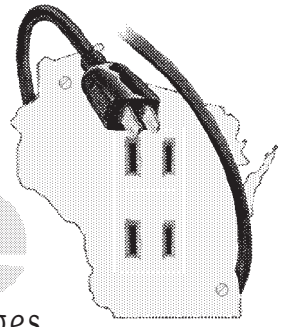


A Coalition
to preserve
Wisconsin's
Reliable and
Affordable
Electricity

Customers First!

the Wire



Plugging you in to electric industry changes

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Gone with the wind

Wisconsin's District II Court of Appeals ruled last month that Calumet County lacked proper authority to enact broad wind-energy siting restrictions, and a local ordinance that helped trigger the drive for statewide wind-siting standards is now history.

In a decision issued July 15, the court ruled that Calumet County exceeded its authority when it adopted an ordinance that imposed uniform setback requirements and other restrictions on all wind energy facilities.

"We read the Wisconsin statutes to say that our legislature favors alternative energy systems... We also read the statutes to disfavor wholesale local control which circumvents this policy," the three-judge panel wrote.

Existing law permits local municipalities to place restrictions on wind energy systems to protect public health or safety, or if the restriction doesn't raise the system's cost or decrease its efficiency, or if it allows for an alternative system of comparable cost or efficiency.

The court interpreted the statute to mean these prerequisites for local regulation must be met "on a case-by-case basis where the local governing arm first hears the specifics of the particular wind system and then decides whether a restriction is warranted."

The decision noted that the ordinance "arbitrarily" established setback, height, and noise restrictions "for any wind system that might want to exist in Calumet County," adding, "We hold that this 'one size fits all' scheme violates the legislative idea that localities must look at each wind system on its own merits."

Later on, the decision refers disapprovingly to the county having "passed a wind turbine ordinance restricting all wind energy systems uniformly."

The appeals court found Calumet County's ordinance contrary to the intent of the state Legislature on the basis of current law allowing a local standard to be applied to individual wind systems but not to all wind systems collectively.

That aspect of state law would be unaltered by pending legislation that not only directs the PSC to develop uniform *statewide* standards but also specifies those standards will cover some of the same issues addressed in the overturned Calumet County ordinance, such as minimum setbacks and allowable noise levels. Assembly Bill 256 cleared committee earlier in July on a 10-2 vote recommending passage and at press time was available to be scheduled for floor debate. 💡



New wind farm gets regulatory okay

Alliant Energy's Wisconsin Power and Light subsidiary got the green light from Wisconsin's Public Service Commission last month to build a new wind farm—in southeast Minnesota.

All three commissioners voted to approve the Madison-based utility's proposal to construct the Bent Tree Wind Project in Freeborn County,

Minnesota. The half-billion dollar project is expected to bring 200 megawatts of capacity on line next year. A long-term plan calls for an additional 200 megawatts to be constructed in subsequent years. That would require separate approval from the commission.

Commissioner Lauren Azar noted, "Cur-

rent policies require the Commission to review projects not just to keep the lights on, but also to fulfill a shift to obtain our energy from specific types of generation. This project is consistent with this shift, and will provide for more renewable and low-carbon energy for Wisconsin customers." 💡

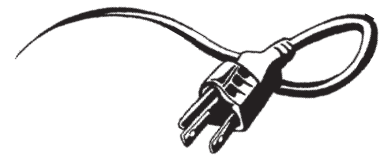
THE WIRE is a monthly publication of the *Customers First!* Coalition—a broad-based alliance of local governments, small businesses and farmers, environmental groups, labor and consumer groups, retirees and low-income families, municipal electric utilities, rural electric cooperatives, wholesale suppliers, and an investor-owned utility. *Customers First!* is a coalition dedicated to preserving Wisconsin's reliable and affordable electricity.

If you have questions or comments about THE WIRE or the *Customers First!* Coalition, please call 608/286-0784.



KEEPING CURRENT

With CFC Executive Director Matt Bromley



Federal legislation to curb greenhouse gas emissions passed its first test on June 26 when the House of Representatives narrowly approved the American Clean Energy and Security Act, H.R. 2454, by a vote of 219–212. The measure has a ways to go before it becomes law and no one is quite sure what will happen in the Senate where support for the legislation is more tenuous.

Politics as the art of compromise was fully exercised as the bill worked its way through the House and sponsors had to make a series of concessions to attract enough votes for passage. Most of the effort focused on gaining support from House members worried about the potential impact on energy costs, especially in carbon-intensive states that have a large manufacturing base and rely on coal for electricity. To allay these concerns, the sponsors agreed to scale back the reduction targets for greenhouse emissions, ease the renewable energy mandate, and modify a carbon cap-and-trade program to provide more free allowances to utilities and industries that emit greenhouse gases.



Bromley

The bill that passed the House sets a goal of reducing greenhouse gases in the United States to 17 percent below 2005 levels by 2020 and 83 percent by 2050. It requires that 20 percent of electricity sold by 2020 must come from renewable sources or through a combination of renewables and efficiency savings. Perhaps the most contentious provision, though, is one that creates a nationwide carbon cap-and-trade system.

The cap-and-trade debate generally centers on whether the federal government should sell or give permits to businesses that could then either emit carbon dioxide up to the amount of their permit, or, if they can hold emissions below that amount, sell or “trade” the permit to the highest bidder in the open market. The compromise House bill sided with temporarily giving a majority of the permits for free to utilities, refineries, and other big users of fossil fuels.

The House action sets the stage for the Senate where battle lines are being drawn. Some who are critical of the House allocation plan want utilities to buy their carbon allowances and use the proceeds to soften the blow of rising energy costs on consumers. Others contend that free allocation keeps utilities from passing the cost of buying permits to their customers. And there is also disagreement within the industry itself on whether certain utilities, like unregulated merchant generators, should be granted free allowances at all. Expect these and many more issues to get a lot of air time in the coming weeks as the climate change debate continues in the Senate. 💡

Sign of the times?

Industry consolidations and the proliferation of non-utility subsidiaries were prominent features of the 1990s electric restructuring mania. When the bloom went off that romance, many companies began restoring focus on their core utility businesses. For Integrys Energy Group, the product of a more recent consolidation involving Green Bay's Wisconsin Public Service Corp., the time has come to sell off its non-regulated consulting business, Integrys Energy Services.

Integrys Energy Group announced near the end of July that the consulting business would be sold to U.S. Energy Services of Minneapolis. The deal was expected to close by this fall. The company said the undisclosed sale price was “in line with Integrys Energy Group's recovered capital expectations associated with its

nonregulated segment divestiture plans.”

Integrys Energy Group has subsidiaries providing regulated gas and electric utility services in Illinois, Michigan, and Minnesota in addition to the northeast Wisconsin operations of Wisconsin Public Service Corp. 💡

Energy saver tip

If there's a run of hot, humid weather you can still save energy while maintaining cool comfort in your home. If you use a dehumidifier, put it on a timer set to run at night when power demand is lower. And cooking outdoors helps your air conditioner by avoiding heat buildup in the kitchen. 💡

Transmission plan may draw lawsuit

A major transmission project designed to boost access to northern Plains renewable energy could be the target of a lawsuit by Minnesota opponents who want to overturn regulatory approval granted this spring by the Minnesota Public Utilities Commission.

The Citizens Energy Task Force (CETF) said in mid-July it may file suit to block the \$1.7 billion, multi-state project involving Xcel Energy, Dairyland Power Cooperative, WPPI Energy, and other municipal and investor-owned utilities serving Minnesota and the Dakotas.

Based in La Crescent, Minnesota, the CETF made its announcement in the wake of the Minnesota commission's decision rejecting the group's petition for a rehearing.

FutureGen back on

First authorized and later scrapped by the Bush administration, the nation's first commercial-scale coal-fired power plant with fully integrated carbon capture and sequestration technology got a new lease on life last month.

The Department of Energy issued a Record of Decision to proceed with the FutureGen project at Mattoon, Illinois.

The move will allow the FutureGen Alliance to move ahead with preliminary design, funding plans, cost estimate refinements, and other activities. The Department of Energy said that phase of action, to be completed early next year, will be followed by a decision whether to continue with plant construction.

FutureGen Alliance is a partnership between the federal government, several of the world's largest coal producers, and major coal consumers including the U.S. subsidiary of Germany's E.On A.G. and the Huaneng Group, China's largest operator of coal-fired power plants.

If completed, the plant will use integrated gasification combined-cycle technology with carbon dioxide emissions to be captured and sequestered in a deep saline geological formation, the Department of Energy said. When fully operational by its third year of service, the plant is expected to capture 90 percent of its CO₂ emissions. 💡

The commission issued a certificate of need for the CapX2020 project in May and in mid-June the CETF formally requested that commissioners revisit the matter, impose additional conditions on some segments of the project, and withdraw support entirely from a proposed segment of new line between the Twin Cities and La Crosse.

The Minnesota regulators showed no signs of ambivalence in their approval of the project. Their May 22 order granting the certificate of need said opponents had called the project "a subterfuge to speed development of transfer of power from the Western states of North and South Dakota to load in Wisconsin and points further to the east." It rejected those arguments, saying, "The record does not support this fear" and added that credible testimony shows the project will support regional reliability.

"The record shows that denying the application would probably impair the future adequacy, reliability or efficiency of energy supply to Applicants, to Applicants' customers, or to the people of Minnesota and neighboring

states," the commission said.

The order also found the multi-phased project—which would mainly span Minnesota with three new 345-kilovolt lines but would also reach into the Dakotas and Wisconsin—to be "at least as reasonable and prudent as any other alternative," adding, "Conservation, load management and an increased reliance on renewable sources of energy alone will not be sufficient to meet the demonstrated needs."

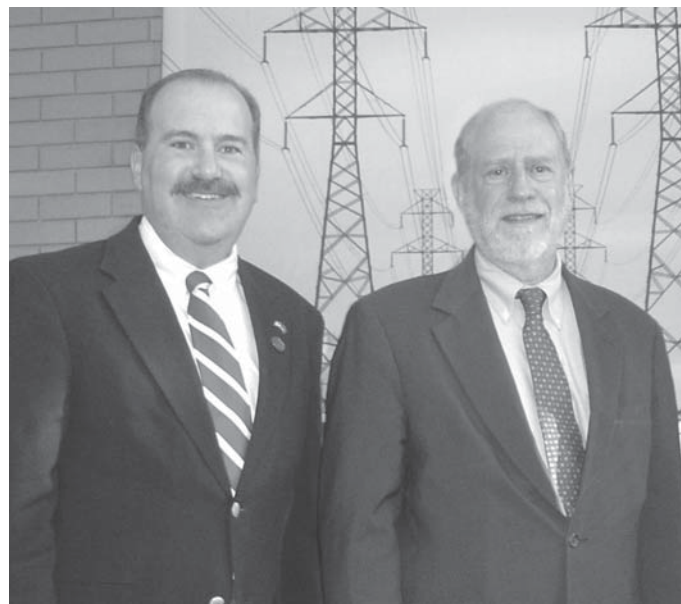
The commission's order said CapX2020 "would benefit society in a manner compatible with protecting the natural and socioeconomic environments."

Among other things, the CETF objected to adding a new line on an existing transmission right-of-way through the Upper Mississippi River Wildlife Refuge. An alternative route bringing the Twin Cities–La Crosse line over farmland in Buffalo, Trempealeau, and La Crosse counties has since been suggested and might overcome that objection. If formally proposed, the alternative route would require fresh regulatory review by Wisconsin's Public Service Commission. 💡

Board members win national honors

Two members of the *Customers First!* Coalition board of directors have been recognized by the American Public Power Association (APPA) for their service to the goals of community-owned electric utilities in Wisconsin and across the U.S.

David Benforado, executive director of the Sun Prairie-based Municipal Electric Utilities of Wisconsin, received APPA's Harold Kramer–John Preston Personal Service Award for substantial



Dave Benforado (left) and Roy Thilly at the June 16 APPA awards presentation in Salt Lake City.

contributions toward association goals. He has been actively involved with APPA for 14 years.

Roy Thilly, president and CEO of WPPI Energy, also based in Sun Prairie, received the Alan H. Richardson Statesmanship Award, given to recognize "public power leaders who work successfully and tirelessly on APPA's behalf" and help bring about consensus on national issues.

Both Benforado and Thilly have been among the leaders of the *Customers First!* Coalition since its founding in 1995. 💡



Quotable Quotes

“If the County and other similarly situated localities believe that localities should be able to decide for themselves whether and to what extent wind systems are welcome in their geographical area, their argument is best made to the legislature.”

—Wisconsin’s District II Court of Appeals, in its July 15, 2009, decision invalidating Calumet County’s wind energy-siting ordinance

Be sure
to check out the
Customers First!
web site at



www.customersfirst.org

Help us share our messages with others. If you know of businesses or organizations that would like to learn more about protecting Wisconsin’s reliable and affordable electricity, please feel free to copy and share with them all or part of this newsletter, or you can call 608/286-0784 to arrange an informational meeting.

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Plugging Wisconsin In



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